

Message Text

UNCLASSIFIED

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43

ACTION OPIC-12

INFO OCT-01 EUR-25 ISO-00 EB-11 COME-00 TRSE-00 AID-20

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FM AMEMBASSY BUCHAREST

TONIECSTATE WASHDC 8525

UNCLAS BUCHAREST 1783

EO 11652: N/A

TAGS: EGEN, RO

SUBJECT: POLITICAL RISK CONVERTIBILITY INSURANCE (OPIC)

REF: STATE A-1362

1. TO DATE NO LOCAL CURRENCY (LEI) EARNINGS HAVE RESULTED FROM

DIRECT AMERICAN INVESTMENT IN ROMANIA, THUS WE HAVE NO RECORD OF DELAYS IN TRANSFER OF SUCH EARNINGS INTO U.S. DOLLARS. CONTROL DATA CORPORATION JOINING VENTURE, FIRST EXAMPLE OF DIRECT INVESTMENT HERE BY AMERICAN FIRM, IS ALSO NOT EXPECTED TO GIVE RISE TO TRANSFER PROBLEM. ALL BOOKKEEPING WILL BE DONE IN DOLLARS AND ALL PRODUCTS (COMPUTER PERIPHERALS) WILL BE SOLD FOR DOLLARS, EVEN WHEN SOLD FOR ROMANIAN DOMESTIC CONSUMPTION.

2. STANDARD PRACTICE FOR U.S. FIRMS DOING BUSINESS HERE IS TO REQUEST DOLLAR PAYMENTS TO BE MADE BY ROMANIAN BUYERS THROUGH ROMANIAN BANK FOR FOREIGN TRADE. SOME DELAYS, PRESUMABLY OF BUREAUCRATIC ORIGIN, HAVE BEEN ENCOUNTERED, BUT DELAY OF MORE THAN 30 DAYS BEYOND AGREED PERIOD WOULD BE UNUSUAL. PAYMENT IN LEI IS NORMALLY ACCEPTED BY U.S. FIRM ONLY WHEN IT NEEDS LOCAL CURRENCY TO MEET EXPENSES INCURRED IN ROMANIA. WE KNOW OF NO CASE WHERE

LOCAL CURRENCY IS BEING ACCUMULATED WITH VIEW TOWARD EVENTUAL

TRANSFER INTO DOLLARS.

BARNES

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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: n/a
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